



General Assembly

January Session, 2001

Amendment

LCO No. 7484

Offered by:

SEN. SULLIVAN, 5th Dist.

SEN. JEPSEN, 27th Dist.

SEN. PRAGUE, 19th Dist.

SEN. LEBEAU, 3rd Dist.

SEN. GAFFEY, 13th Dist.

To: Subst. Senate Bill No. 1131

File No. 550

Cal. No. 369

***"AN ACT CONCERNING THE PROPERTY TAX EXEMPTION FOR
MACHINERY AND EQUIPMENT IN ENTERPRISE ZONES."***

1 Strike out everything after the enacting clause and substitute the
2 following in lieu thereof:

3 "Section 1. (NEW) As used in sections 1 to 4, inclusive, of this act:

4 (1) "Awarding authority" means the Commissioner of Economic and
5 Community Development, the board of directors of the Connecticut
6 Development Authority, the board of directors of Connecticut
7 Innovations, Incorporated and the head of any other state agency
8 authorized to award state assistance, as defined in subdivision (2) of
9 this section.

10 (2) "State assistance" means any grant, loan, loan guarantee or
11 issuance of tax benefit not of general applicability for the purpose of

12 economic development that is (A) made to a business entity operated
13 for profit which has more than fifty employees, and (B) in an amount
14 greater than five hundred thousand dollars or that, if added to any
15 other such state assistance made to the same business entity during the
16 preceding five years, would total greater than five hundred thousand
17 dollars.

18 Sec. 2. (NEW) An awarding authority shall not award state
19 assistance, as defined in section 1 of this act, unless the recipient of
20 such assistance enters into an agreement with the awarding authority,
21 for the term of the agreement or for a period of five years following the
22 receipt of such assistance, whichever is greater, to (1) remain in
23 substantial and material compliance with state and federal law; (2)
24 provide compensation to such recipient's employees in this state,
25 including benefits or the actuarial value of benefits, that is at least
26 equal or equivalent to the standard compensation determined in
27 accordance with the provisions of section 4 of this act; (3) offer
28 compensation and benefits to such recipient's part-time employees in
29 this state that are comparable to the compensation and benefits offered
30 to full-time employees performing comparable work, prorated as to
31 the amount of time worked that is less than the standard for full-time
32 employees of the recipient; and (4) maintain or increase full-time
33 employment, based on the highest total number of full-time employees
34 of the recipient in this state on any date during the period commencing
35 one year prior to the date of the agreement and ending on the date of
36 the agreement. For purposes of this section, "full-time employee"
37 means any employee (A) receiving the full amount of any noncash
38 benefits available to employees of the recipient, and (B) who averages,
39 over any one-year period, not less than thirty hours of work per week
40 as an employee of the recipient. The awarding authority may require
41 that each recipient of state assistance provide such information as is
42 necessary to determine compliance with the requirements of this
43 section and shall include a requirement to provide such information in
44 any agreement entered into under this section.

45 Sec. 3. (NEW) (a) If an awarding authority finds that a recipient of

46 state assistance is not in material and substantial compliance with an
47 agreement entered into pursuant to section 2 of this act, the awarding
48 authority shall provide written notice, by registered mail, to the
49 recipient and shall order the recipient to come into compliance with
50 such agreement not less than one hundred eighty days following
51 receipt of such notice. Failure to comply with reporting requirements
52 set forth in such agreement shall be deemed a failure to comply with
53 this act. If the recipient fails to come into compliance with such
54 agreement within the one-hundred-eighty-day period, the awarding
55 authority may (1) unilaterally rescind the agreement and require that
56 the state be made whole by the repayment by the recipient of (A) the
57 amount of any grant made, (B) the amount of any loan outstanding,
58 including any interest necessary to make the state whole, or (C) the
59 amount of any tax benefit received, or (2) impose a penalty, for the
60 period of failure to comply, at the rate of one per cent per month or
61 any part thereof of the amount of the grant, tax benefit or loan
62 outstanding. The awarding authority may foreclose on any collateral
63 or bond related to such grant, tax benefit or loan for the purpose of
64 payment of such penalty and any costs incurred by the awarding
65 authority in connection with collection of such penalty.

66 (b) Notwithstanding the provisions of subsection (a) of this section,
67 any recipient of state assistance that reduces the number of its full-time
68 employees, as defined in section 2 of this act, within the state by more
69 than twenty-five per cent during the period of the agreement or a
70 period of five years following the receipt of such assistance, whichever
71 is greater, shall be ordered by the awarding authority to repay the
72 amount of the state assistance received plus a penalty of five per cent
73 of such amount.

74 (c) If the recipient of state assistance in the form of a loan is late in
75 making payment of any periodic installment due on such loan, the
76 awarding authority shall not waive any standard late fee.

77 (d) Annually, on or before January first, each awarding authority
78 shall notify the Governor and the General Assembly of each recipient

79 of state assistance that has failed to materially and substantially
80 comply with the provisions of any agreement entered into pursuant to
81 section 2 of this act during the preceding calendar year and the actions
82 taken by the awarding authority with respect to such recipient.

83 Sec. 4. (NEW) (a) The Labor Commissioner shall determine and
84 annually adjust rates of standard compensation for hourly clerical,
85 service and production employees, each as a group, and for salaried
86 clerical, service and nonmanagerial professional employees, each as a
87 group, with respect to each type of business entity that corresponds to
88 a business entity that is a recipient of state assistance. The awarding
89 authority shall use such rate to determine compliance with the
90 provisions of this section. Standard compensation shall be at least
91 equal to the amount deemed necessary by the awarding authority, in
92 consultation with the Labor Commissioner, if the recipient does not
93 offer a comprehensive health benefits plan or a qualified pension plan.

94 (b) Nothing in this section shall be deemed to supersede or modify
95 any collective bargaining agreement entered into by a recipient.

96 (c) The Labor Commissioner shall adopt regulations, in accordance
97 with the provisions of chapter 54 of the general statutes, to carry out
98 the purposes of this section. Such regulations may include guidelines
99 and procedures relating to the information that is required to be
100 reported by each recipient."